International Seabed Authority ISBA/8/C/6

Council

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Report of the Chairman of the Legal and Technical Commission on the work of the Commission during the eighth session

1. The Legal and Technical Commission held seven meetings during the eighth session of the Authority. The Commission elected Arne Byørlykke (Norway) as Chairman and Frida Maria Armas Pfirter (Argentina) as Vice-Chairman. During the session, the Commission considered the following items:

(a) The annual reports of contractors submitted pursuant to the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area;

(b) Reports on the final relinquishment of the pioneer areas submitted by India and the Republic of Korea;

(c) Considerations relating to the rules, regulations and procedures for prospecting and exploration for polymetallic sulphides and cobalt-rich crusts in the Area;

(d) The outcomes of the Authority's workshops on standardization of environmental data and information and on prospects for international collaboration in marine environmental research.

I. Annual reports of contractors

2. The Commission noted that the first annual reports were due to be received at the end of March 2002. As at 5 July 2002, reports had been received from China Ocean Mineral Resources Research and Development Association (COMRA), Interoceanmetal Joint Organization (IOM), Deep Ocean Resources Development Ltd (DORD) and the Republic of Korea. The Commission was provided with a preliminary evaluation of those reports prepared by the secretariat. The Commission was informed that in July 2002, annual reports had been received from Yuzhmorgeologiya (Russian Federation) and IFREMER/AFERNOD (France). In addition, a periodic report covering the period from 1 January to 31 December 2001 had been submitted by the Government of India. It had not been possible, in the time available, for the secretariat to carry out an evaluation of those reports.

3. Taking the preliminary evaluation prepared by the secretariat as a starting point, the Commission discussed and evaluated the reports submitted by all the contractors. For this purpose, the Commission met in informal working groups to review the following aspects of the work carried out by the contractors: (a) geological and geophysical mapping and sampling; (b) environmental monitoring; (c) mining technology; and (d) legal and financial issues.

4. The Commission found that all the contractors had made efforts to comply with the reporting requirements under the contracts. However, it was also found that the annual reports needed to be completed to enable the Commission to be properly informed. The Commission therefore made a number of specific

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recommendations in relation to each contractor and requested the Secretary-General to request the contractors to fulfil the requirements of section 10 of the standard clauses. The detailed report and recommendations of the Commission are contained in ISBA/8/LTC/2.

5. It was noted that these were the first annual reports to be submitted by contractors. There was no methodology either for presentation or for evaluation and the Commission considered that there had been insufficient time to study the reports fully. Taking this into account, the Commission decided for the future to establish a subcommittee to assist the secretariat in preparing a draft evaluation of the annual reports. For 2003, a subcommittee consisting of Lindsay Parson, Rodrigo Urquiza Caroca and Frida Maria Armas Pfirter was established. To facilitate reporting by the contractors, the Commission also established a standardized format for the annual report, based on the provisions of the regulations (see ISBA/8/LTC/2). It was emphasized that contractors shall strictly adhere to the requirement that annual reports be submitted 90 days following the end of the calendar year.

II. Reports on the final relinquishment of the pioneer areas

6. The Commission also took note of the reports on the final relinquishment of the pioneer areas submitted by India (ISBA/8/LTC/R.1) and the Republic of Korea (ISBA/8/LTC/R.3).

III. Polymetallic sulphides and cobalt-rich crusts

7. Following the one-day seminar convened by the Authority on 7 August 2002, the Commission began its consideration of issues relating to rules, regulations and procedures for prospecting and exploration for polymetallic sulphides and cobalt-rich ferromanganese crusts, using as a basis for its discussions the paper prepared by the secretariat for the Council in 2001 (ISBA/7/C/2). Discussions on this issue were held in open session, in order to allow members of the Council the opportunity to follow the debate in the Commission.

8. In its preliminary discussion of the approaches suggested in the secretariat study, the Commission emphasized the need to proceed cautiously and in a logical manner towards the development of regulations. It was emphasized that, bearing in mind the uncertainties associated with activities in the Area, any scheme for prospecting and exploration should be subject to review after an initial period. While prospecting and exploration should be encouraged, and potential prospectors should therefore be provided with rights over particular areas and priority to apply for exploration contracts, there was also a need to ensure that the Authority received adequate data and information, particularly with regard to the protection and preservation of the marine environment.

9. The Commission requested the secretariat to provide it with further information on the problems associated with sulphides and crusts prior to its next meeting. In particular, the secretariat was requested to provide a report on the potential environmental consequences of mining operations for crusts and sulphides. The secretariat was also requested to review the model clauses contained in the annex to document ISBA/7/C/2 with a view to preparing a revised draft set of regulations for prospecting and exploration, taking into account the discussions in the Commission. Among the issues associated with the regulations that would be taken up by the Commission at its next meeting were a progressive fee system rather than a relinquishment system, further consideration of the grid system for licensing, and continued development and elaboration of the parallel system as it applied to these resources. It was suggested that the secretariat should take into consideration the provisions of relevant national legislation both on land and offshore that might be of assistance to the Commission in its deliberations.

10. It was agreed that the Commission would meet for two weeks in 2003. During the first week of the meeting, which would be held immediately prior to the ninth session, the Commission would break into informal working groups to facilitate detailed consideration of specific issues relating to the regulations. The coordinators of the informal working groups and the topics for discussion would be as follows: Galo Carrera — environmental impacts of exploration activities; Jean-Pierre Lenoble — size of exploration areas and a system whereby contractors might relinquish some of these areas to the Authority;

Albert Hoffman — form of the work plans that applicants would be required to submit, detailing their intentions; and Baidy Diène — type of arrangements between contractors and the Authority, whether a parallel system in which areas would be split between the two, joint ventures or some other formula.

IV. Outcomes of workshops and suggestions for future workshops

11. The Commission heard a report on the outcomes of the Authority's workshops on standardization of environmental data and information and on prospects for international collaboration in marine environmental research. The Commission was also informed of the proposal to hold a workshop in 2003 on the development of a geologic model for the Clarion-Clipperton Fracture Zone. Members of the Commission supported the proposal, but also noted the need for an evaluation of the available data on the reserved areas as well as a resource classification system for the Area.

12. The Commission also stressed the importance of the proposed central data repository as a core activity of the Authority and requested the secretariat to provide it with a report and a demonstration of the database at its next meeting. The importance of providing members of the Commission with an inventory of the data holdings of the Authority was also emphasized.